

FISCAL NOTE

SB 3015 - HB 3701

March 4, 2006

SUMMARY OF BILL: Authorizes state and local government agencies to use design build contracts for construction projects. By authorizing this type of contract, government agencies could use one company, placing one bid for both the design and construction on projects except for the design, construction, or repair of public highways.

ESTIMATED FISCAL IMPACT:

State Expenditures – Net Impact – Not Significant/Permissive

Local Govt. Expenditures – Net Impact – Not Significant/Permissive

Assumptions:

- Current law does not forbid the use of such contracts but does not specifically authorize it.
- Government agencies would have the choice of hiring an architect and construction company separately or a design-build firm that would both design and build the facility.
- Streamlining the process to allow one firm to carry out design and construction of entire project could potentially reduce state or local government expenses by reducing labor costs if the design and construction could be done with more expediency. However, in some instances state or local government expenditures could increase since state or local governments could be charged a premium for the convenience of having one firm carry out all the functions required in design and construction. Such increase or decrease in state or local government expenditures cannot be determined, but the net effect is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director